

**QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT
COMMITTEE**

ON

**MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE
ABUSE SERVICES**

SESSION LAW 2001-437

April 1, 2003 to June 30, 2003

This quarterly report is submitted to the Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of April 1 through June 30, 2003 and provides information on major developments as the Division implements reform.

Section I: Major developments for this quarter include:

- ❑ System reform continues to move steadily forward.
- ❑ The reorganization of the Division is completed.
- ❑ Beginning April 1, 2003, the Division began operating under the new organizational structure.
- ❑ Team leaders have been hired and are leading their assigned teams through the duties and responsibilities as assigned.
- ❑ The draft of State Plan 2003: Blueprint for Change was completed and circulated for comment from all interested parties.
- ❑ Division staff performed site visits to area programs to follow-up on matters related to their local business plans.
- ❑ A Public Policy Work Group has been established. This group is comprised of representatives from the Division, Area/County Programs and County Managers. The group meets twice monthly to discuss policy issues regarding MH reform.

Section II: Statutory Items

1. Division Reorganization

The reorganization of the Division is completed. Beginning April 1, 2003, the Division began operating under the new organizational structure. All team leaders, except one, have been hired and are leading their teams in carrying out assigned duties and responsibilities. The table below reflects the name of each team leader, and the team that they lead.

Community Policy Management	Section Chief: Flo Stein
Team Leaders	Team
Dick Oliver	LME System Performance Management
Bonnie Morell	Best Practice and Community Innovations
Sonya Brown	Justice Systems Innovations
Janice Petersen	Prevention Intervention Innovations
Vacant	Quality Management
State Operated Services	Section Chief: Stan Slawinski
James Osberg	Central Region
Doug Baker	Western Region
Lisa Haire	Eastern Region
Advocacy and Customer Services	Section Chief: Chris Phillips
Ann Remington	Consumer Empowerment
Stuart Berde	Customer Service and Community Rights
Charlotte Jordan	State Facility Advocates
Administrative Support	Section Chief: Don Willis
Joan Kaye	Communication and Training
Peggy Balak	Division Affairs
Steve Hairston	Planning
Resource & Regulatory Management	Section Chief: Phillip Hoffman
Leza Wainwright	Budget and Finance
Gary Imes	Information Services
Jim Jarrard	Accountability
Marley Imm	Contract Development and Management
Darlene Steele	Regulatory

2. State Plan 2003: Blueprint for Change

On May 20, 2003 the draft of State Plan 2003: Blueprint for Change was posted on the Division's website and distributed for comment from the public. The comment period lasted 30 days, i.e. through June 20, 2003. The Division received over seventy-five comments via email and regular US Postal mail services. State Plan 2003, the second update on reform efforts, provides an overview of the continued developments along with an operations plan that describes the key developments that must occur in the upcoming year. The final version of State Plan 2003 is slated to be ready for publication by July 1, 2003.

3. Local Systems Development

Information and Technical Assistance:

The Division continues to present information on system reform to consumers and families, providers, public and private agencies and other system stakeholders. Throughout the quarter, staff of the Division made numerous presentations to or attended meetings with interested organizations.

A database has been developed that contains contact information for all of the Consumer and Family Advisory Committee (CFAC) Chairpersons, Co-Chairpersons and LME liaison staff. This database facilitates real time dissemination of information relevant to the Division reform efforts, general information and activities.

A monthly report has been developed that provides information regarding allegations of abuse, exploitation and neglect as well as other activities undertaken by the State Facilities Advocates. This report contains information on all facilities, except the ADATCs and is made available to the Mental Health Commission, external stakeholders and staff of the Division.

Technical assistance was provided to thirty-one Area Programs regarding the format and composition of quarterly reports, CFAC organization, Community Collaboratives, the LME cost model, case management, Division reorganization and service divestiture.

4. Local Business Plans

The Division reviewed business plans submitted by fifteen Phase I programs. Sixteen Phase II and III Area Programs also submitted business plans, which are scheduled for review during the third quarter of 2003. Site reviews were conducted on twelve of the fifteen Phase I programs. These reviews consist of a review of the Division's comments on their local business plans as well as a series of interviews with the CFAC Chairperson, three consumers who are members of the CFAC and three additional consumers who are served by the Area Program.

5. Services and Programs

The current status of the renovation projects to establish acute detox/crisis capacity at the three state operated Alcohol and Drug Abuse Treatment Centers (ADATCs) is as follows:

Drawings for the Butner ADACT that were modified to meet Department of Insurance requirements were submitted to all agencies for review on 07/18/03. It is anticipated that the project will be ready to bid by mid to late August with construction award and startup in late September. The project is estimated to last 120 days, making space available to operate and accept admissions as early as February 2004.

At the Julian F. Keith ADACT, the architects have concluded that the new waterline cannot be relied on for a source of water needed for the fire protection system required by the Department of Insurance. The Division of Property and Construction at DHHS has

asked the engineering firm to prepare alternative solution options and associated costs for each. At present, the most promising option is to bring water from Black Mountain Center; a state operated facility on property immediately adjacent to the ADATC.

At the Walter B. Jones ADATC the Property and Construction office of DHHS met with the architects to review progress of the drawings that were modified to meet Department of Insurance requirements. It is anticipated that the project will be bid in September with construction to start in late October 2003. Project construction duration is anticipated to be 10 months which would make the space available to operate and accept admissions as early as September of 2004.

Funding to Support Expansion of Community Capacity:

To date, thirty-two (32) area programs have received allocations to increase community capacity by expanding or developing needed services. Local services are currently using these bridge/start-up funds to develop the services through contracting with community providers or hiring staff to provide services. Bridge/start-up funding from the Mental Health Trust Fund totaling \$3.8 million has been allocated this fiscal year. New services and supports that are being developed will be supported in future years through the transfer of funds from the hospitals as patients are moved to the community and hospital beds are closed. To date, there have been 142 beds closed in the four hospitals.

6. Administration and Infrastructure

Service Definitions and Licensure Rules:

The Division began developing the adult mental health, developmental disabilities, substance abuse, and child mental health proposed service definitions. The Division is assisted by the Technical Assistance Collaborative to insure that these new service definitions reflect the implementation of the State Plan and best practice services and supports.

7. Financing

Mental Health Trust Fund:

The Mental Health Trust Fund continues to be used to assist in reform and community expansion. As of June 30, 2003, \$14,595,744 has been used for the following: bridge funding to area programs associated with hospital downsizing, hospital replacement planning, funding to area programs/counties for IPRS conversion and Local Business Plan development, Olmstead planning assessments and oversight, training regarding reform and consultants contracts.

Integrated Payments and Reporting System:

During the months of April through June, seven additional area programs went into production. This brings the total number of area programs into production to twenty-eight. These new area programs are:

Area Program	Month went into Production
Roanoke-Chowan	April
Johnston	April
Trend	May
Randolph	May
Neuse	May
Albermarle	May
Rockingham	May

In addition, significant work was completed on the system related to HIPAA compliance. All HIPAA compliance activities are scheduled for completion by September 30, 2003.

8. Progress in Addressing Barriers to System Reform

This section of the report reflects progress in addressing barriers to system reform. The identified barriers were included in previous quarterly reports.

1. Statutory changes were required regarding confidentiality to reflect changes in HIPPA, IPRS implementation and the acknowledgement of county programs in the statutes where confidentiality is cited.

Update

Legislation on confidentiality was passed by the General Assembly.

2. Local business plans submitted by some Phase I programs have identified ways to enhance reform implementation. Before moving forward with statewide implementation on their ideas, piloting will need to occur. Legislation to pilot alternatives to existing statutes/rules will be introduced. The request will be limited to specific area, identify the specific statute/rule and will include appropriate safeguards.

Update

Legislation on 1st level commitment evaluations and funding integration was passed by the General Assembly.

9. Session Law 2001-437, Section 3 Reporting Requirements

Pursuant to the requirements of Section 3, (a), the status of the remaining items listed in this section are:

Section 3(a)(3) Oversight and Monitoring Functions:

Monitoring protocols and tools are being developed collaboratively with all stakeholders, and rules for implementation beginning in July 2003. This is not to be construed as the comprehensive monitoring plan or a replacement for the quality improvement/management activities referenced in the State Plan but only as a first step.

Additionally, pursuant to SB 163, area authorities or county programs are responsible for monitoring the provision of Mental Health, Developmental Disability and Substance Abuse Services for compliance with the law in cooperation with the Department. These activities are part of a spectrum of quality assurance activities. Temporary rules go into effect on July 1, 2003.

As reported to the LOC in the first quarter, the SB 163 Report was distributed to the legislature. This report outlines steps taken for implementation of SB 163 that includes rule drafting and tracking requirements. As recommended in the Report, legislation has been introduced that addresses both technical changes to the bill as well as barriers identified as part of the implementation process. SB 926 was passed by the General Assembly and a Department steering committee has been established to guide the implementation.

Section 3(a)(4) Service Standards, Outcomes and Financing Formula:

These items remain under study and development by the Technical Assistance Collaborative and Pareto Solutions, Inc.

Section 3(a)(8) Consolidation Plan, Letters of Intent:

As reported to the LOC in the first quarter, all letters were submitted timely. In addition to reports provided to the Secretary and the LOC, a progress report will be included in the July 2004 State Plan revision. Sandhills/Randolph merged effective July 1, 2003, Wayne merged with Duplin-Sampson-Lenoir, effective July 1, 2003. A management agreement was entered between Davidson and Piedmont on July 1, 2003, with full merger scheduled for January 2004. In addition, Trend/Blueridge/Rutherford-Polk is scheduled to merge January 2004. A meeting is scheduled to begin dialogue with those Area Programs/counties that will be affected by the 200,000 population, five county target.